REMARKS

Claims 1-8, 10-13, 16-25 and 55-66 are pending in the application, claims 9, 14, and 15 being canceled herein. Claims 26-54 and 67-73 were canceled previously. Claims 1, 16, 22, 55, and 58 are the only independent claims.

Claims Rejections - 35 U.S.C. §§ 102 and 103

Claims 1, 4-15, 58, and 61-66 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 4,980,826 to Wagner.

Claims 16, 17, 22, 55, and 56 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,136,501 to Silverman et al. ("Silverman").

Claims 2, 3, 59, and 60 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Wagner in view of the publication Equis International AAII Computerized Investing Newsletter May/June 1998 (hereinafter Equis).

Claims 18-20 and 23-25 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman in view of U.S. Patent No. 6,029,146 to Hawkins et al. ("Hawkins").

Claim 21 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman in view of U.S. Patent No. 5,845,265 to Woolston.

Claim 57 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman in view of U.S. Patent No. 5,924,082 to Silverman et al.

Claim 1 Applicant continues to traverse the Examiner's rejection of claim 1 under 35 U.S.C. § 102(b) and maintain that claim 1 distinguishes the invention over the prior art and particularly over Wagner.

Applicant has amended claim 1 herein to provide an explicit definition, in the claim of

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the term "total stop amount."

As set forth in currently amended claim 1, a method for trading a commodity comprises (a) receiving, in encoded form via a computer network, a plurality of bids and a plurality of offers pertaining to a common commodity, (b) displaying the bids and offers on a computer monitor, © generating a trading offer including a trading rate or price per unit of the commodity, and a number of units of the commodity, (d) automatically calculating a total stop amount for the trading offer, (e) automatically comparing the total stop amount with an available amount in a client or trader account, and (f) transmitting a digital signal encoding the trading offer over the computer network for distribution to multiple traders. As set forth in the current amendment to claim 1, the total stop amount is a monetary amount required to cover a stop execution on the trading offer, the total stop amount including a primary quantity equal to a stop value multiplied by the number of units of the commodity included in the trading offer.

In rejecting claim 1 under 35 U.S.C. § 102(b), the Examiner continues to contend that the automatic calculation of a total stop amount for the trading offer is taught by Wagner in column 4, lines 33-36. In addition, the Examiner continues to contend that the automatic comparison of the total stop amount with an available amount in a client or trader account is taught by Wagner at column 20, lines 57-58 and block 72 of Figure 2 which includes "accounting" functions.

Applicant respectfully contravenes the Examiner's position. As set forth in amended claim 1, the term "total stop amount" refers to a monetary amount required to **cover a stop execution on the trading offer**, the total stop amount including a primary quantity equal to a stop value multiplied by the number of units of the commodity included in the trading offer. Thus, the total stop amount of claim 1 is not a stop order as that term is used by Wagner at

column 4, lines 33-36. A stop order as used by Wagner is an **order placed by a trader who wishes a trade to be executed on the trader's behalf when the market price of the commodity attains a specified value and not prior to that point**. The execution on a stop order does not entail the calculation of a monetary amount required to cover a stop execution on the trading offer.

The present invention as set forth in claim 1 provides a trading system which does not exist in conventional futures trading, for instance, as contemplated by Wagner. Conventional futures trading does not entail the automatic calculation of a total stop amount in response to the generation of a trading offer (including a trading rate or price per unit of the commodity, and a number of units of the commodity). Instead, in conventional futures (and stock) trading, brokerage firms require that persons trading on margin maintain adequate amounts in respective trading accounts to protect the brokerage firms from possible losses arising from trades that the persons have already made.

Applicant incorporates by reference herein remarks pertaining to claims 4 and 6 made in a prior Amendment.

Claim 16   In response to the rejection of claim 16 under 35 U.S.C. § 102(b), that claim has been amended herein to recite a currency trading method comprising (i) receiving, via a computer network, digital signals together encoding a plurality of bids and a plurality of offers pertaining to a common currency, (ii) displaying the bids in a first monotonic sequence on a computer monitor, (iii) simultaneously displaying the offers in a second monotonic sequence on the computer monitor, (iv) monitoring a computer input device, and (v) upon detecting a signal from the input device of a predetermined type encoding a trading order, automatically calculating

transaction on one of the bids and offers, automatically calculating a total currency amount for carrying out the order and comparing the total currency amount with a capital amount available in a given account to determine if the capital amount is sufficient. Upon and only upon determining that sufficient capital is available in the account is an order signal transmitted over the computer network to a server computer, the order signal encoding the trading order.

Silverman is directed to a matching-type trading method wherein bids, offers, hits and takes electronically submitted over a network are transmitted to all participants or keystations by a central system. Matching bids, offers, hits and takes lead to an executed trade only after a check has been made that a gross counterparty credit limit would not be exceeded if the trade were executed. This gross counterparty credit limit is an amount determined by credit limits set by the parties to the prospective trade prior to the submission of the respective bids, offers, hits, and takes.

Thus, it is a central and indispensable feature of the Silverman methodology that bids, offers, hits, and takes are submitted to the central system (20) and from thence to the participants at their respective keystations *prior to any computation of credit limits or accounts*. (Actually, Silverman says nothing about accounts. See discussion of claim 55 hereinafter.) In contrast, in applicant's method as set forth in amended claim 16, a trading order is not communicated, i.e., is not submitted to a server or to participating traders, unless it has been automatically determined that the party tendering order has funds in a pre-established or given account to cover the order. Silverman says *nothing* about automatically calculating a total currency amount for carrying out a trading order, comparing the total currency amount with a capital amount available in a given account, and transmitting an order signal on the trading order upon and only upon determining

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that sufficient capital is available in the account.

Claim 22   Claim 22 has been amended herein to set forth features of the invention similar to those incorporated into claim 16 by the present Amendment.   As set forth in currently amended claim 22, a method for use in trading currencies comprises displaying, on a computer monitor connected to a computer in turn connected to a computer network, a plurality of prompts for particulars of a trading offer, the prompts including a prompt to enter a price per unit of a currency and a total number of units of the currency. Upon entry, via an input device of the computer, of a trading offer including at least a price per currency unit and a total number of currency units, an automatic determination is made as to whether sufficient capital exists in a given account of a trader utilizing the computer, to cover a trade executable on the trading offer for the total number of currency units. Upon and only upon determining that sufficient capital exists in the given account is the trading offer forwarded over the computer network to other traders on the computer network.

Nothing in the art of record, particularly Silverman, either discloses or suggests (A) making an automatic determination as to whether sufficient capital exists, in a given account of a trader entering a trading offer via a computer, to cover a trade executable on the trading offer for a specified total number of currency units, and (B) forwarding the trading offer over a computer network to other traders upon and only upon determining that sufficient capital exists in the given account. Pursuant to Silverman, trading offers (bids, offers, hits, and takes) are transmitted from an originating keystation to other keystations as a matter of course. A check as to credit sufficiency is made only after the trading offers are transmitted to the keystations.

Claim 55 Applicant respectfully traverses the rejection of claim 55 under 35 U.S.C. §

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102(b) as being anticipated by Silverman. Silverman does not disclose or suggest that the same server computer that maintains queues of bids and offers and is operated to determine whether a trading offer matches any bid or offer in the queues also modifies accounts of traders who made trading offers on which a trade is executed. The central system (20) of Silverman does not maintain accounts. As recited in the very passage pointed to by the Examiner, the payments and exchanges are implements by agencies other than the central system and outside of the Silverman trading network. The central system has no accounts to track or modify. The method of claim 55 thus contemplates a method that is outside the scope of and is inconsistent with the trading paradigm serviced by the Silverman method.

Claim 58 .Applicant continues to traverse the Examiner's rejection of claim 58 under 35 U.S.C. § 102(b) and maintain that claim 58 distinguishes the invention over the prior art and particularly over Wagner. As in the case of claim 1, applicant has amended claim 58 herein to provide a more precise description of the invention, by including an explicit definition of the term "total stop amount" in the claim itself.

As recited in currently claim 58, a method for use in trading a commodity comprises generating a trading offer, automatically calculating a total stop amount for the trading offer, automatically comparing the total stop amount with an available amount in a client or trader account to determine whether the total stop amount and the available amount meet pre-established criteria, and acting on the trading offer only upon determining that the total stop amount and the available amount meet the pre-established criteria. As set forth in claim 58, the total stop amount is a monetary amount required to cover a stop execution on the trading offer. The total stop amount includes a primary quantity equal to a stop value multiplied by an

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identified number of units of the commodity included in the trading offer.

As discussed above with reference to claim 1, Wagner teaches the use of a computer-controlled trading system capable of implementing trades on stop orders. However, Wagner says nothing about automatically calculating a total stop amount, defined as a monetary amount required to cover a stop execution on a trading offer. Wagner says nothing about applicant's recited action of acting on a trading offer only upon a determination that the calculated total stop amount and an available amount in a client's account meet pre-established criteria.
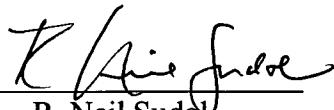
Conclusion

For the foregoing reasons, independent claims 1, 16, 22, 55, and 58, as well as the claims dependent therefrom, are deemed to be in condition for allowance. An early Notice to that effect is earnestly solicited.

Should the Examiner believe that direct contact with applicant's attorney would advance the prosecution of this application, the Examiner is invited to telephone the undersigned at the number below.

Respectfully submitted,

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